

Fresno, California

January 20, 2011

The City Council met in special joint session with the Redevelopment Agency and the City of Fresno Cultural Arts Properties, Inc. (COFCAP) at the hour of 10:00 a.m. in the Council Chamber, City Hall, on the day above written.

Present were Councilmembers Baines, Borgeas, Olivier, Quintero and Westerlund, Council President Brand, City Manager Scott, ACM Rudd, City Attorney Sanchez, City Clerk Klisch, Assistant City Clerk Salazar, and involved staff. Councilmember Xiong was absent.

Agency Chair Westerlund presided over the meeting and led the Pledge of Allegiance.

(‘A’) JOINT COUNCIL/AGENCY RESOLUTION – OPPOSING THE GOVERNOR’S BUDGET PROPOSAL TO ABOLISH REDEVELOPMENT AGENCIES

(‘B’) DISCUSSION AND DIRECTION REGARDING THE GOVERNOR’S BUDGET PROPOSAL TO ABOLISH REDEVELOPMENT AGENCIES (Council and Agency action)

(‘C’) ESTABLISH A JOINT CITY/AGENCY SUBCOMMITTEE ON STATE REDEVELOPMENT PROPOSALS AND MAKE RECOMMENDATIONS (Council and Agency action)

(‘D’) BILL FOR INTRODUCTION AND ADOPTION - EMERGENCY ORDINANCE ADDING SECTION 2-1303(e) TO THE FRESNO MUNICIPAL CODE MODIFYING CURRENT PROCEDURAL REQUIREMENTS TO SUBMIT REDEVELOPMENT AGENCY BUSINESS TO THE HOUSING AND COMMUNITY DEVELOPMENT COMMISSION (Council action)

(‘E’) AUTHORIZE THE AGENCY EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT 320/322 “B” STREET WITHIN THE SOUTHWEST FRESNO GNRA OWNED BY MAUREEN P. KEATING, TRUSTEE OF THE MAUREEN P. KEATING FAMILY TRUST, AND TAKE ALL OTHER ACTIONS NECESSARY AND CONSISTENT WITH AGENCY BOARD APPROVAL (Agency action)

(‘F’) AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT 731 E. CALIFORNIA STREET WITHIN THE SOUTHWEST FRESNO GNRA OWNED BY GRAVES AND HALLS PROPERTIES, LLC, AND EARL W. BROWN, AND TAKE ALL OTHER ACTIONS NECESSARY AND CONSISTENT WITH AGENCY BOARD APPROVAL (Agency action)

(‘G’) ACTIONS RELATING TO REIMBURSEMENT OF COSTS INCURRED WITHIN THE FREEWAY 99-GOLDEN STATE BOULEVARD CORRIDOR REDEVELOPMENT PROJECT AREA FOR INSTALLATION OF PUBLIC IMPROVEMENTS ON N. KNOLL, W. ASHCROFT, W. HOLLAND, W. RICHERT AND W. SWIFT AVENUES

#1 AGENCY RESOLUTION - MAKING CERTAIN FINDINGS PURSUANT TO COMMUNITY REDEVELOPMENT LAW, AND AUTHORIZING THE AGENCY’S REIMBURSEMENT OF COSTS INCURRED FOR THE PUBLIC IMPROVEMENTS

#2 AUTHORIZE (1) A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE REDEVELOPMENT AGENCY AND DON PICKETT & ASSOCIATES, INC., AND (2) THE EXECUTIVE DIRECTOR TO EXECUTE THE MOU (Agency action)

(11:00 A.M.) AWARD CONTRACT TO THE LOWEST RESPONSIBLE BIDDER FOR DEMOLITION AND CLEARANCE OF BUILDINGS LOCATED AT FULTON AND STANISLAUS STREETS - 1502-1540 FULTON, BUILDINGS ‘A’, ‘B’ & ‘C’, WITH A DEDUCTIVE ALTERNATIVE FOR BUILDING ‘C’ (Agency and COFCAP action)

Councilmember Borgeas advised before Governor Brown’s budget proposal to eliminate redevelopment agencies (RDAs) was made public he had requested Executive Director Murphey to begin crafting a *Redevelopment Agency Transparency Initiative* with the genesis of it being to take the Agency board’s fiduciary responsibilities to a higher level of precision and outline the financial health and expenditures of the Agency, and expanded additionally on the initiative and stated it was necessary and timely now more than ever and he just wanted to alert Council and the public that this initiative was forthcoming.

Chair Westerlund advised (1) Director Murphey was not present as her 91 year old mother's health took a turn for the worse last night and on behalf of the joint bodies extended heartfelt wishes and prayers, (2) the city's lobbyist from Sacramento would be participating in today's meeting via teleconference call, and (3) Councilmember Xiong was absent due to a back injury.

Chair Westerlund stated the reason for this meeting was the unprecedented proposal of Governor Brown to abolish all RDAs and divert the tax increment that currently comes to RDAs to a number of different agencies; noted Mayor Sweeney, through City Legislative Analyst Stevens, provided a memorandum which was included in Council's packet of information; stated a number of cities have taken some unprecedented steps to try to lock-up tax increment dollars going forward and the City has been in discussions with city and outside counsel about doing something similar; spoke to the city of Los Angeles' action approving a Cooperation Agreement to try to tie up some \$930 million in tax increment and noted their agreement was also provided in Council's packet; advised he and Council President Brand had been in discussions about what should be done as an RDA, as well as a City Council, and they felt it was not prudent or wise at this time to do what Los Angeles did and they wanted to make sure Council was informed and were seeking input and direction from members; stated the reason some cities have taken action was due to the rumor circulating in Sacramento that the Governor was going to propose urgency legislation that would forbid RDAs from conducting any business between now and when the legislature votes on the budget proposal and added the latest information was no legislation like that had been proposed; added the rumor was kind of the impetus and motivator behind RDAs around the state holding emergency or special meetings to try to tie things up prior to the Senate and Assembly going into session on Tuesday morning; and concluded stating that was why this meeting was scheduled and why he requested RDA staff to present some agency items for consideration.

Via conference call lobbyist Tony Gonzales with Rose and Kindell stated at this point the administration was not pursuing urgency legislation that would in some way impede the ability of RDAs from going forward with plans to lock up funds and advised the reasons were the votes were not there, primarily, and the Governor's office understood the vote to abolish RDAs would be a very tough vote, and stated they would continue to be vigilant and stay on top of the issue. Chair Westerlund added it was his understanding the Governor spoke with LCC folks and indicated he was not pursuing urgency legislation right now but was still open to ideas going forward depending on what RDAs do in the intervening time, and added Item 'D' above was being proposed just in case the Governor does decide at some point to go with urgency legislation.

('A') JOINT COUNCIL/AGENCY RESOLUTION NO. 2011-7/1772 - OPPOSING THE GOVERNOR'S BUDGET PROPOSAL TO ABOLISH REDEVELOPMENT AGENCIES

Chair Westerlund, Mr. Gonzales, City Attorney Sanchez and City Manager Scott responded to questions of Councilmember Borgeas and/or clarified issues relative to the ambitious timeline to abolish RDAs by March 1st, urgency legislation requiring a two-thirds vote, if litigation could be expected by those parties with relevant RDAs who have expended dollars and began the negotiating process, impairment of contract issues being explored by California Redevelopment Agency (CRA) attorneys, if cities through the LCC or the CRA would initiate suit seeking a stay of the inaction of the possible legislation, what form of opposition has been issued by the LCC and CRA, if suspending RDAs for a period of time with no new debt assessed has been considered as an alternative to RDAs being abolished, justification in the Governor's budget for disestablishment of RDAs and if it was possible to receive the studies that say RDAs are not attracting businesses to California, and if any city has ever disestablished their RDA.

Upon the request of Chair Westerlund for an update on what has been heard in Sacramento lobbyist Pat Moran, via conference call, stated not much had changed, the assembly leadership and senate democrats were not inclined to introduce legislation although some senators stated if they continue to see moves towards increasing bonding they would consider introducing legislation; stated he would have to assume they were working on drafting legislation but he was told by both assembly and senate leadership that was not imminent or something they would drop today, tomorrow or next week; spoke to the two-thirds vote needed to pass urgency legislation and the alternative avenue of a majority vote in special session but stated at this point he did not see that happening as the Governor and legislature would rather discuss that in the budget subcommittee process; and stated his personal theory was they would probably come up with some sort of agreement along the lines of limited authority/what tax increment can be spent on/how much can be spent as there was not a two-thirds vote to pass anything at this time. Chair Westerlund stated there were more questions than answers right now and added this discussion was being held as there were at least \$35 to \$40 million worth of projects in the pipeline in some fashion and he asked staff to move forward and expedite those projects that are ready.

Councilmember Baines stated he was opposed to the Governor's proposal as the abolishment of the RDA would affect his district much more than any other council district, there were not many other tools to fight blight and economic development problems and the RDA was the best utilized and largest tool available, and the proposal seemed to be another targeted attack on the those who are systemically left behind in the city's social progression and those who cannot adequately represent themselves which he added was a large majority of his district and constituency.

Mr. Moran responded to questions of Acting President Olivier relative to what a successor agency was and what the difference was between a RDA and successor agency, the \$210 million in the budget summary that will go to cities/counties and how much the city would get/if those funds would go into the general fund **(2 – 0)**, if the budget proposal was anticipated/not anticipated to pass in its current form, and if Governor Brown used the RDA when he was mayor of Oakland. Acting President Olivier stated it did not seem like the budget proposal would go through, it seemed like the Governor understood that redevelopment can be a productive tool, and it seemed like the Governor will face some significant pressure from the elected representatives in the legislature; stated Council should proceed with caution and take a wait and see attitude and not panic as a lot of problems materialize when legislative bodies panic and label things “emergency”; and recommended the city keep an eye on the issue and avoid making knee-jerk emergency reactions. Chair Westerlund spoke to his tour of Oakland and concurred the Governor did understand the benefits of redevelopment but his value judgment was to spend the money on schools rather than downtowns/project areas, and stated the Governor was working both the democratic and republican caucus and knew the ins and outs of Sacramento and would push his proposal, with Mr. Moran concurring.

Councilmember Quintero stated he agreed with concerns expressed, spoke briefly to the work done by the RDA in his district over the years and thanked staff, and agreed the Governor’s proposal lacked detail and made a motion to adopt the resolution, which motion was seconded by President Brand.

President Brand thanked Analyst Stevens for her work and commented on the issue stating there was a lot of speculation and rumors and that was the climate where people make big mistakes and rush to judgment, spoke to the need to be cautious and vet the issue fully, clarified as projects are moved forward the normal process/analysis would be followed and nothing would be moved forward in haste or prematurely, pointed out most people in the assembly and senate are former council members or supervisors who know the RDA and know it works, stated he could not see any draconian measure ever being passed and agreed the end result will be some sort of compromise, and presented questions relative to the L.A. Times article on the \$1.7 billion in savings, shifting control of \$5 billion, and if the recent passage of Proposition 22 was in the debate, with Mr. Scott, Mr. Moran, Chair Westerlund and Mr. Sanchez responding.

Councilmember Quintero acknowledged former city employees James Aldredge and Mr. Hendricks in the audience for their impact on the city of Fresno and its history.

On motion of Councilmember Quintero, seconded by President Brand, duly carried, RESOLVED, the above entitled Joint Council/Agency Resolution No. 2011-7/1772 hereby adopted, by the following vote:

Ayes	:	Baines, Borgeas, Brand, Olivier, Quintero, Westerlund
Noes	:	None
Absent	:	Xiong

(‘B’) DISCUSSION AND DIRECTION REGARDING THE GOVERNOR’S BUDGET PROPOSAL TO ABOLISH REDEVELOPMENT AGENCIES **(Council and Agency action)**

Chair Westerlund noted there had already been some discussion on this item, stated the two options were (1) do nothing/conduct business as usual/bring projects forth after due process, and (2) do something like the city of Los Angeles (cooperation agreement) and further elaborated, and recommended the joint bodies prepare to do something like an agreement but not pull the trigger until absolutely necessary and requested input. City Attorney Sanchez stated a cooperation agreement was one option to capture future infrastructure as well as to capture some outstanding debt, and advised each project identified in the agreement would require some separate CEQA analysis.

President Brand reaffirmed the need to move cautiously, be prudent and prepare, move forward on those projects actively in the pipeline and ready, and not go in haste. Councilmember Baines agreed with President Brand and presented questions relative to whether there would be no fast-tracking on projects brought forth, if any steps would not be skipped, and if the plug could be pulled on those projects that do not pan out after pro forma, with Chair Westerlund responding throughout. Mr. Sanchez stated some of the comments were precisely what creates some of the legal questions on the agreement and explained.

Upon call, no one wished to be heard on any of the agenda items listed and there was no further discussion on item ‘B’.

(‘C’) ESTABLISH A JOINT CITY/AGENCY SUBCOMMITTEE ON STATE REDEVELOPMENT PROPOSALS AND MAKE RECOMMENDATIONS (Council and Agency action)

Chair Westerlund stated this would be a one-half lobbying/one-half negotiating ad hoc subcommittee and recommended the committee be comprised of the Redevelopment Agency Chair and the Council District 3 and 5 representatives. Acting President Olivier stated he fully supported the first resolution but was unable to support any emergency amendments or actions and reiterated his recommendation to lay low and be cautious. President Brand stated having three members involved from an informative point of view and for a higher level of communication with Sacramento and the consultants was a good idea and made a motion to establish the subcommittee composed of Chair Westerlund and Councilmembers Baines and Quintero, which motion was seconded by Chair Westerlund. Chair Westerlund stated there was nothing emergency or urgent about this item and clarified these subcommittees work as was proven with the Grizzlies stadium deal. Councilmember Baines stated in the event travel is needed to Sacramento or anywhere else he would not use city funds and his service would be voluntary.

On motion of President Brand, seconded by Chair Westerlund, duly carried. RESOLVED, a joint City/Agency subcommittee on State redevelopment proposals hereby established with Chair Westerlund and Councilmembers Baines and Quintero appointed members, by the following vote:

Ayes	:	Baines, Borgeas, Brand, Quintero, Westerlund
Noes	:	Olivier
Absent	:	Xiong

(‘D’) BILL FOR INTRODUCTION AND ADOPTION - EMERGENCY ORDINANCE ADDING SECTION 2-1303(e) TO THE FRESNO MUNICIPAL CODE MODIFYING CURRENT PROCEDURAL REQUIREMENTS TO SUBMIT REDEVELOPMENT AGENCY BUSINESS TO THE HOUSING AND COMMUNITY DEVELOPMENT COMMISSION (Council action)

Chair Westerlund stated the HCDC was strictly a citizen advisory commission who reviews any project/contract that comes from the RDA to make recommendations for Council, stated he was recommending this ordinance be in effect for 12 months so items can go directly to Council for a more expeditious process versus the time taken for a review by citizens, and stated once the Governor’s RDA proposal has passed the ordinance would be rescinded. City Attorney Sanchez clarified the ordinance contained a sunset provision and would expire in 12 months.

Councilmember Baines stated he could not support suspending the process, spoke to the importance of transparency and community input as taxpayer dollars were involved, stated he supported steps to protect the redevelopment agency but opposed circumventing a process, and recommended, if necessary, that the HCDC meet weekly to be more engaged and to move the process along more expeditiously. President Brand agreed due diligence and normal procedures should not be suspended or short-circuited adding once that path is entered it becomes a slippery slope, and stated there was no need to panic and agreed if there is a need on the timeline the HCDC meetings should be accelerated. Upon the request of Chair Westerlund Project Manager Cox explained the process of how projects come to council and timelines, **(3 – 0)** and responded to his questions relative to commission makeup, number of current members, and HCDC meetings/quorums/difficulties encountered. Chair Westerlund stated if the Governor has the votes for an emergency resolution due to more cities doing what Los Angeles did there will be a risk to the city’s projects.

Ms. Cox and Chair Westerlund responded to questions and/or comments of Councilmembers Baines and Borgeas relative to timeline for the 731 E. California project, the California project being an example of how quickly the City/RDA can work with the HCDC, benefit of the HCDC, if there was any other formalized process for community input, if staff felt the HCDC had value, cost associated with HCDC meetings, need for dialog on how to make the HCDC better before suspending the process, if the HCDC process has been bypassed at times, consequence of no community overview, and if cities would have some advance warning if Sacramento were to bring forth an emergency measure. Chair Westerlund stated if there was no interest in this he would not belabor the matter and withdrew the item but added he may bring it back later.

(‘E’) AUTHORIZE THE AGENCY EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT 320/322 “B” STREET WITHIN THE SOUTHWEST FRESNO GNRA OWNED BY MAUREEN P. KEATING, TRUSTEE OF THE MAUREEN P. KEATING FAMILY TRUST, AND TAKE ALL OTHER ACTIONS NECESSARY AND CONSISTENT WITH AGENCY BOARD APPROVAL (Agency action)

Chair Westerlund clarified this was a regular project that went through the normal process, and Project Manager Cox reviewed the issue and recommended approval, all as contained in the staff report as submitted.

On motion of Member Baines, seconded by Member Brand, duly carried, RESOLVED, the Executive Director authorized to enter into a Purchase and Sale Agreement for property at 320/322 "B" Street as outlined above and take all necessary actions, by the following vote:

Ayes : Baines, Brand, Borgeas, Olivier, Quintero, Westerlund
Noes : None
Absent : Xiong

(‘F’) AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT 731 E. CALIFORNIA STREET WITHIN THE SOUTHWEST FRESNO GNRA OWNED BY GRAVES AND HALLS PROPERTIES, LLC, AND EARL W. BROWN, AND TAKE ALL OTHER ACTIONS NECESSARY AND CONSISTENT WITH AGENCY BOARD APPROVAL (Agency action)

Project Manager Cox reviewed the issue and recommended approval, all as contained in the staff report as submitted. Upon question of Member Quintero Ms. Cox stated this was a willing seller who approached the agency.

On motion of Member Baines, seconded by Member Brand, duly carried, RESOLVED, the Executive Director authorized to enter into a Purchase and Sale Agreement for property at 731 E. California as outlined above and take all necessary actions, by the following vote:

Ayes : Baines, Brand, Borgeas, Olivier, Quintero, Westerlund
Noes : None
Absent : Xiong

Councilmember Borgeas left at 12:00 noon due to a prior commitment and was absent for the remainder of the meeting.

(‘G’) ACTIONS RELATING TO REIMBURSEMENT OF COSTS INCURRED WITHIN THE FREEWAY 99-GOLDEN STATE BOULEVARD CORRIDOR REDEVELOPMENT PROJECT AREA FOR INSTALLATION OF PUBLIC IMPROVEMENTS ON N. KNOLL, W. ASHCROFT, W. HOLLAND, W. RICHERT AND W. SWIFT AVENUES

#1 JOINT COUNCIL/AGENCY RESOLUTION 2011-8/1773 - MAKING CERTAIN FINDINGS PURSUANT TO COMMUNITY REDEVELOPMENT LAW, AND AUTHORIZING THE AGENCY’S REIMBURSEMENT OF COSTS INCURRED FOR THE PUBLIC IMPROVEMENTS

#2 AUTHORIZE (1) A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE REDEVELOPMENT AGENCY AND DON PICKETT & ASSOCIATES, INC., AND (2) THE EXECUTIVE DIRECTOR TO EXECUTE THE MOU (Agency action)

Project Manager Quiring reviewed the issue and findings to be made, all as contained in the staff report as submitted, and recommended approval.

Chair Westerlund stated this was a good project and thanked staff for their work.

On motion of Councilmember/Member Baines, seconded by Councilmember/Member Quintero, duly carried, RESOLVED, the above entitled Joint Council/Agency Resolution No. 2011-8/1773 hereby adopted, the subject MOU between the Agency and Don Pickett & Associates, Inc., authorized, and the Executive Director authorized to execute the MOU, by the following vote:

Ayes : Baines, Brand, Olivier, Quintero, Westerlund
Noes : None
Absent : Borgeas, Xiong

(11:00 A.M.) AWARD CONTRACT TO THE LOWEST RESPONSIBLE BIDDER FOR DEMOLITION AND CLEARANCE OF BUILDINGS LOCATED AT FULTON AND STANISLAUS STREETS - 1502-1540 FULTON, BUILDINGS 'A', 'B' & 'C', WITH A DEDUCTIVE ALTERNATIVE FOR BUILDING 'C' (Agency and COFCAP action)

City Attorney Sanchez stated while finalizing the due diligence Purchasing advised an appeal period was remaining which needed to expire before an award could be made so the matter needed to be continued.

On motion of Chair/Member Westerlund, seconded by Member Brand, duly carried, RESOLVED, the above entitled 11:00 a.m. Item continued one week, by the following vote:

Ayes	:	Baines, Brand, Olivier, Quintero, Westerlund
Noes	:	None
Absent	:	Borgeas, Xiong

ADJOURNMENT

There being no further business to bring before the joint bodies, the hour of 12:06 p.m. having arrived and hearing no objection, Chair Westerlund declared the meeting adjourned.

Approved on the ____3rd____ day of ____February_____, 2011.

_____ Larry Westerlund, Agency Chair	ATTEST: _____/s/_____ Yolanda Salazar, Assistant City Clerk
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